

Registered number: 01394643

BAC CORROSION CONTROL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

BAC CORROSION CONTROL LIMITED

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BAC CORROSION CONTROL LIMITED
REGISTERED NUMBER: 01394643

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible fixed assets	4	43,701	57,613
Tangible fixed assets	5	222,003	187,745
Fixed asset investments	6	1,000	1,000
		<u>266,704</u>	<u>246,358</u>
Current assets			
Stocks		942,513	804,286
Debtors: amounts falling due within one year	7	2,256,695	1,978,432
Cash at bank and in hand		780,943	470,541
		<u>3,980,151</u>	<u>3,253,259</u>
Creditors: amounts falling due within one year	8	(1,547,563)	(965,334)
Net current assets		<u>2,432,588</u>	<u>2,287,925</u>
Net assets		<u><u>2,699,292</u></u>	<u><u>2,534,283</u></u>
Capital and reserves			
Called up share capital		1,000,000	1,000,000
Profit and loss account		1,699,292	1,534,283
		<u>2,699,292</u>	<u>2,534,283</u>

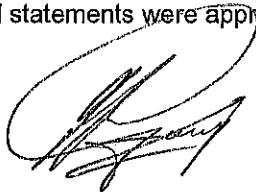
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

S F Goring
Director


 11.12.19

BAC CORROSION CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

BAC Corrosion Control Limited is a company limited by shares incorporated and domiciled in the England. The address of the registered office and principal place of business is Stafford Park 11, Telford, TF3 3AY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group,

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment having adjusted forecasts to take account of the perceived effects on trading. The COVID-19 pandemic and the ensuing economic effect has had an impact on the company's operations, in that income/production has reduced compared with the originally forecast with a number of contracts being deferred. In response to the COVID-19 pandemic, the directors have performed a thorough analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact which the company has taken advantage of..

Based on these assessments and having regards to the resources available to the company and the cashflow headroom available to it under various scenarios, the directors have concluded that there is no material uncertainty and that they can continue to trade and adopt the going concern basis in preparing the financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Other than in respect of long term contracts turnover is recognised on completion of work contracted. Where contracts are considered to be long term, turnover includes the value of the work carried out in the year.

Long term contracts are assessed on a contract by contract basis, and where considered material to the financial statements, are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

BAC CORROSION CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Intellectual property is stated at cost less accumulated depreciation. Historical cost represents the cost paid to acquire the intellectual property. It is amortised to profit and loss over its estimated economic life.

Development costs are charged to profit and loss in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	20% straight line
Office equipment	-	10% straight line
Computer equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

BAC CORROSION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BAC CORROSION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 38 (2018 - 38).

BAC CORROSION CONTROL LIMITED

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4. Intangible assets

	Intellectual property £	Develop- ment expenditure £	Total £
Cost			
At 1 January 2019	97,510	71,986	169,496
At 31 December 2019	<u>97,510</u>	<u>71,986</u>	<u>169,496</u>
Amortisation			
At 1 January 2019	97,510	14,373	111,883
Charge for the year	-	13,912	13,912
At 31 December 2019	<u>97,510</u>	<u>28,285</u>	<u>125,795</u>
Net book value			
At 31 December 2019	<u>-</u>	<u>43,701</u>	<u>43,701</u>
At 31 December 2018	<u>-</u>	<u>57,613</u>	<u>57,613</u>

BAC CORROSION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer and Office equipment £	Total £
Cost					
At 1 January 2019	124,095	589,447	65,039	238,093	1,016,674
Additions	1,300	49,923	14,995	28,653	94,871
Disposals	-	(5,882)	(12,495)	-	(18,377)
At 31 December 2019	125,395	633,488	67,539	266,746	1,093,168
Depreciation					
At 1 January 2019	124,095	457,887	28,857	218,090	828,929
Charge for the year on owned assets	54	35,536	10,812	8,380	54,782
Disposals	-	(5,882)	(6,664)	-	(12,546)
At 31 December 2019	124,149	487,541	33,005	226,470	871,165
Net book value					
At 31 December 2019	1,246	145,947	34,534	40,276	222,003
At 31 December 2018	-	131,560	36,182	20,003	187,745

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	1,000
At 31 December 2019	1,000

BAC CORROSION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Fixed asset investments (continued)**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Holding
Rose Corrosion Services Ltd.	Stafford Park 11, Telford, TF3 3AY.	Corrosion Control	100%

7. Debtors

	2019	2018
	£	£
Trade debtors	1,900,640	1,669,900
Amounts owed by group undertakings	-	2,348
Other debtors	68,040	40,382
Prepayments and accrued income	285,968	254,414
Deferred taxation	2,047	11,388
	<u>2,256,695</u>	<u>1,978,432</u>

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	866,101	650,191
Amounts owed to group undertakings	115,322	2,000
Corporation tax	49,627	57,306
Other creditors	26,634	40,643
Accruals and deferred income	489,879	215,194
	<u>1,547,563</u>	<u>965,334</u>

9. Contingent liabilities

The company has contingent liabilities in respect of performance and tender guarantees totalling £179,016 (2018: £241,122).

BAC CORROSION CONTROL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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10. Related party transactions

The company is a wholly owned subsidiary within the group headed by Midroc Europe AB and has taken advantage of the exemption conferred by FRS 102 'Related Party Disclosures' not to disclose transactions with Midroc Europe AB or other wholly owned subsidiaries within the group.

11. Controlling party

The company is controlled by Midroc Contracting AB.

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Midroc Europe AB, a company incorporated in Sweden. Consolidated accounts are available from PO Box 3002, SE - 169 03 SOLNA, Sweden. In the opinion of the directors, this is the company's ultimate parent company.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed by Tobias Stephenson BA ACA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.